

## Message Text

UNCLASSIFIED

PAGE 01 LONDON 09019 01 OF 02 081227Z  
ACTION EUR-12

INFO OCT-01 EA-12 IO-14 ISO-00 CIAE-00 COME-00 EB-08  
INR-10 LAB-04 NSAE-00 SIL-01 /062 W  
-----113090 081245Z /75

R 081209Z JUN 78  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 6934  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY CANBERRA  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY THE HAGUE  
AMEMBASSY HELSINKI  
AMEMBASSY LUXEMBOURG  
AMEMBASSY OSLO  
AMEMBASSY OTTAWA  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY STOCKHOLM  
AMEMBASSY TOKYO  
AMEMBASSY WELLINGTON  
USMISSION GENEVA

UNCLAS SECTION 01 OF 02 LONDON 09019

USEEC

E.O. 11652: N/A  
TAGS: ELAB  
SUBJECT: UNEMPLOYMENT AND VACANCIES - MAY 1978

SUMMARY: FIGURES RELEASED BY THE DEPARTMENT OF  
EMPLOYMENT SHOW A FURTHER REDUCTION IN UNEMPLOYMENT  
IN THE MONTH TO MAY 11. THE UNADJUSTED RATE FOR THE  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 09019 01 OF 02 081227Z

UNITED KINGDOM WAS DOWN TO 5.8 PERCENT WITH 1,386,810  
REGISTERED UNEMPLOYED. THIS TOTAL INCLUDES 48,188  
SCHOOL LEAVERS. AFTER SEASONAL ADJUSTMENTS, THE TOTAL  
IS 1,366,400 OR 5.7 PERCENT. FURTHER ENCOURAGEMENT  
IS PROVIDED BY THE FIGURES FOR NOTIFIED VACANCIES,  
UP BY 19,560 249,426 IN THE UK BEFORE SEASONAL  
ADJUSTMENTS. END SUMMARY.

1. THE ANNOUNCEMENT OF THE MAY UNEMPLOYMENT FIGURES REVEALED A FURTHER REDUCTION IN UNEMPLOYMENT. THE DATA ARE GIVEN IN FULL IN THE ATTACHED TABLE. THE REDUCTION IN THE SEASONALLY ADJUSTED TOTAL IS THE EIGHTH MONTHLY FALL, AND AT 19,600 (GREAT BRITAIN) IS THE BIGGEST IMPROVEMENT SINCE 1973.

2. WHILE THE FIGURES PROVIDED ENCOURAGEMENT FOR THE GOVERNMENT, THEY ARE STILL RETICENT TO CLAIM THAT THE FALLS EXPERIENCED OVER RECENT MONTHS DEFINE A CONTINUING DOWNWARD TREND. A PROBLEM THAT WILL BE REFLECTED IN NEXT MONTH'S FIGURES WILL BE THE FLOW OF SCHOOL LEAVERS COMING INTO THE LABOR MARKET IN JUNE AND JULY. LAST YEAR'S EXPERIENCE SUGGESTS THAT THESE SCHOOL LEAVERS PUSH UP NOT ONLY THE UNADJUSTED RATE BUT ALSO (BY TAKING JOBS THAT WOULD OTHERWISE HAVE BEEN FILLED BY ADULTS) THE SEASONALLY ADJUSTED TOTAL. THE IMPACT OF THESE MOVEMENTS MAY INTERRUPT THE SEQUENCE OF REDUCTIONS EXPERIENCED IN RECENT MONTHS.

3. DESPITE THE IMPROVED FIGURES, RECENT OPINION POLLS SUGGEST THAT THE UNEMPLOYMENT RECORD IS THE ACHILLES HEEL OF THE CALLAGHAN GOVERNMENT. MORE PEOPLE EXPRESSED CONCERN OVER UNEMPLOYMENT THAN ANY OTHER ISSUE IN A RECENT NATIONAL OPINION POLL SURVEY. FURTHER, THE

UNCLASSIFIED

PAGE 03 LONDON 09019 01 OF 02 081227Z

TRADE UNIONS ARE NOW BEGINNING TO MOVE INTO A MORE ACTIVE STANCE ON UNEMPLOYMENT. THERE IS A GROWING SENSE OF URGENCY AMONG TRADE UNION LEADERS ON THIS ISSUE, AND SEVERAL RECENT TRADE UNION CONFERENCES HAVE LOOKED TOWARDS POSSIBLE TRADE UNION APPROACHES TO A SOLUTION.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 LONDON 09019 02 OF 02 081226Z  
ACTION EUR-12

INFO OCT-01 EA-12 IO-14 ISO-00 CIAE-00 COME-00 EB-08

INR-10 LAB-04 NSAE-00 SIL-01 /062 W

-----113070 081245Z /75

R 081209Z JUN 78

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 6935

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

USMISSION GENEVA

UNCLAS SECTION 02 OF 02 LONDON 09019

USEEC

4. DAVID BASNETT (GMWU AND TUC GENERAL COUNCIL CHAIRMAN) RESPONDED TO THE MAY FIGURES BY ARGUING THAT THE FALLS MUST CONTINUE, "FOR THIS WE NEED TWO THINGS -- A FURTHER SUBSTANTIAL PACKAGE OF PUBLIC EXPENDITURE MEASURES FROM THE GOVERNMENT DIRECTED AT JOBS, AND AGREEMENT WITHIN THE TRADE UNION MOVEMENT THAT THE UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 09019 02 OF 02 081226Z

TOP PRIORITY IN THE NEXT WAGE ROUND IS A REDUCTION IN THE WORKING WEEK". WHETHER BASNETT WILL GET THAT "AGREEMENT WITHIN THE MOVEMENT" IS UNCERTAIN. WHAT IS BECOMING CLEAR IS THAT TRADE UNION LEADERS ARE LOOKING WITH MORE INTEREST AT THE UNEMPLOYMENT FIGURES THOUGH STILL FIRMLY WEDDED TO A COUNTER-INFLATION STRATEGY. THEY ARE LOOKING AT UNEMPLOYMENT WITH ONLY ONE EYE -- THE OTHER IS FIRMLY FIXED ON THE NEXT ELECTION.

UNEMPLOYMENT AND VACANCIES

MAY 1978

GREAT BRITAIN UNITED KINGDOM

NUMBER CHANGE 1) NUMBER CHANGE 1)

ADULT UN- 1,280,178 -50,600 1,338,622 -52,365

EMPLOYED

GREAT BRITAIN UNITED KINGDOM

NUMBER CHANGE NUMBER CHANGE

SCHOOL

LEAVERS -44,688 -12,018 48,188 -12,583

TOTAL UNEM-

PLOYED 1,324,866 -62,618 1,386,810 -64,948

RATE (PERCENT) 5.7 -0.3 5.8 -0.3

SEASONALLY AD-

JUSTED ADULT

UNEMPLOYED 1,306,800 -19,600 1,366,400 -20,700

RATE (PERCENT) 5.6 -0.1 5.7 -0.1

TOTAL VACAN-

CIES 247,219 19,512 249,426 19,560

SEASONALLY AD-

JUSTED VACAN-

CIES 208,100 6,100 209,900 6,200

1) CHANGE SINCE APRIL.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LONDON 09019 02 OF 02 081226Z

BREWSTER

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** UNEMPLOYMENT, EMPLOYMENT, DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978LONDON09019  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780239-0728  
**Format:** TEL  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780682/aaaacsgr.tel  
**Line Count:** 197  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 862c408f-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 29 mar 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2440242  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** UNEMPLOYMENT AND VACANCIES - MAY 1978 SUMMARY: FIGURES RELEASED BY THE DEPARTMENT OF EMPLOYMENT SHOW A FURTHER REDUCTION IN UNEMPLOYMEN  
**TAGS:** ELAB, UK  
**To:** STATE USEEC  
**Type:** TE  
**vdkgvkey:** odbc://SAS/SAS.dbo.SAS\_Docs/862c408f-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014